

# Central Trust Annual Report 1983

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**Gitwangak,  
Queen Charlotte Islands  
British Columbia  
Emily Carr, 1912**

The painting selected for our cover reflects the growing importance of Central Trust's branch network in Western Canada. The Company now operates a Regional Office in Calgary and ten branch offices in British Columbia, Alberta and Manitoba.

## Contents

Financial Highlights of 1983	1
Report of the Board of Directors	2
Financial Statements	5
Comparative Five Year Record	13
Interest Rate Sensitivity	14
Board of Directors	15
Officers and Management	16
Directory of Regional and Branch Offices	17
Company Services and General Information	21

## Company Profile

Central Trust and predecessor companies have served Canadians for almost a century. The Company has grown from a small Atlantic based financial institution to one of Canada's largest trust companies with assets in excess of \$2.4 billion.

Central Trust, in its present form, was created through a series of amalgamations. The Eastern Canada Savings and Loan Company, The Nova Scotia Trust Company, The Central Trust Company of Canada and Federal Trust Company were included in the various amalgamations. In 1983 the Company continued to expand with the appointment of Central as Agent of Crown Trust Company.

The Company now operates fifty-six full service branches from St. John's to Victoria. Central Trust provides a broad range of financial, deposit, lending, personal and corporate trust services. A real estate brokerage service is offered in the Atlantic Provinces.

Central Trust's Head Office is located in Halifax. Regional Offices are maintained in Halifax, Moncton, Toronto and Calgary.

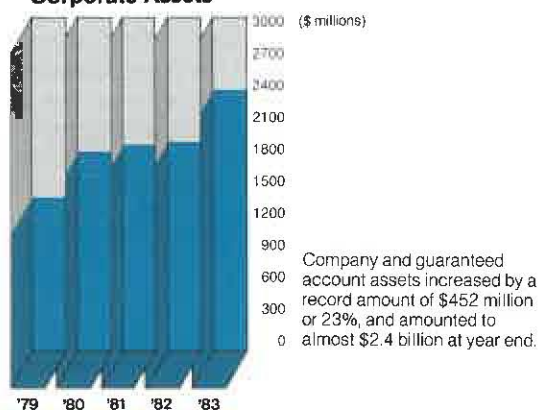




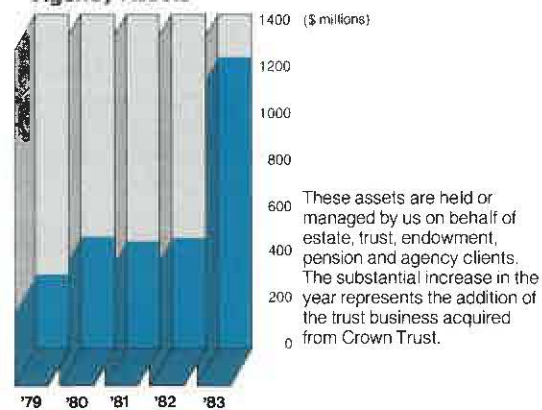
# Financial Highlights of 1983 Our 96th Year

For the Year	1983 \$000	1982	Increase %
Total income	\$ 284,395	\$ 256,576	11
Total expenses	265,341	252,214	5
Operating income	19,054	4,362	337
Income taxes (recovery)	6,552	( 1,927)	—
<b>Net Operating Income</b>	<b>12,502</b>	6,289	99
Net losses on investments, loans and equity investment	2,902	3,280	( 12)
<b>Net Income Before Extraordinary Item</b>	<b>9,600</b>	3,009	219
Reduction in carrying value of investments in MICC Investments Limited	5,857	—	—
<b>Net Income</b>	<b>\$ 3,743</b>	\$ 3,009	24
Net operating income per common share	\$ 1.42	\$ .62	129
Net income before extraordinary item per common share	\$ 1.01	\$ .10	910
Net income per common share	\$ .18	\$ .10	80
<b>At Year End</b>			
Corporate assets	\$2,388,933	\$1,936,756	23
Estate, trust & agency assets	1,233,658	452,000	173
Marketable securities	229,946	295,130	( 22)
Mortgages and other loans	2,104,603	1,612,864	30
Deposits	2,266,974	1,833,661	24
Shareholders' equity	105,105	76,420	38

**Corporate Assets**



**Estate, Trust and Agency Assets**



## Report of the Board of Directors

To the Shareholders:

**I**mprovements in profits were realized in all major divisions of the Company's operations in 1983. Unfortunately these gains were largely offset by the reduction in the carrying value of the Company's investment in MICC Investments Limited, which was recorded in the fourth quarter. Net income before this extraordinary item was \$9,600,000, while net income was \$3,743,000, being 18¢ per common share.

Assets grew by \$452 million to \$2.4 billion, an increase of 23%.

### Financial Intermediary Business

The largest business of your Company is accepting deposits and making loans and other investments. This business grew rapidly in 1983, both in size and profitability. At year end interest sensitive deposits of \$725 million were approximately matched by interest sensitive investments. The average pre-tax equivalent spread on this business was 3.93%. These interest sensitive assets represented 30% of all Company assets and produced 61% of all net interest revenue.

Fixed rate deposits and investments totalled \$1,542 million at year end. The pre-tax equivalent spread on these portfolios increased from .62% in the first quarter of 1983 to 1.14% in the last quarter. This spread averaged .97% in 1983 compared to .31% in 1982.

The pre-tax equivalent spread on the Company's total intermediary business increased from 1.58% in the first quarter of 1983 to 1.99% in the last quarter. The average spread increased from 1.29% in 1982 to 1.84% in 1983.

The Company expects assets to increase by \$390 million in 1984 and the average pre-tax equivalent spread to reach 2.30% in the last quarter.

### Trust and Investment Services

On February 7, 1983 your Company assumed the management of the estate, trust and agency business of Crown Trust Company. In December, 1983, the Ontario legislature passed the Central Trust Company Act, 1983, which transferred to your Company the portion of this business governed by the laws of Ontario. It is expected that similar legislation will be passed in the other provinces of Canada in 1984.

Due largely to this acquisition, trust assets under administration increased from \$452 million at the end of 1982 to \$1.2 billion at the end of 1983, an increase of 173%. In 1983 revenue from this division amounted to \$9.3 million, an increase of 226% over 1982.

For more than 70 years prior to 1983 the administration of personal trusts has been an important part of the Company's business. The administration of corporate trusts and stock transfer agencies has been of lesser importance. The acquisition of the estate, trust and agency business of Crown has not only added significantly to the Company's personal trust business but, in addition, has provided the Company with an entree to the corporate trust and stock transfer businesses. It is the Company's intention to promote these businesses aggressively in 1984.

### Real Estate Services

The Company operates a real estate brokerage business in the Atlantic Provinces where it is represented by 138 sales persons in all major urban centres.

This business achieved a profit of \$592,000 in 1983 compared to the loss of \$274,000 in 1982. The principal ingredient of this improvement was higher sales induced by lower interest rates and the general economic recovery. We anticipate that a satisfactory level of sales will be maintained and a profit realized from this operation in 1984.

### Branch Network

The Company has 56 full service branch offices from St. John's to Victoria. Eleven of these were acquired from Crown Trust Company in 1983. Central administers Crown's assets and deposits at these locations and offers to renew them in Central's name as they mature. At the end of 1983 Central's deposits at these branches totalled \$265 million. One of the Company's principal goals in 1984 is to increase deposits at these eleven branches to \$400 million.

Branch expansion is not a primary goal in 1984. Instead the Company will direct its efforts to the fuller utilization of the branch facilities which it has developed or acquired in recent years.



### **Loan Losses and Non-Productive Properties**

The Company provided \$8.2 million for mortgage and loan losses in 1983, up sharply from \$3.5 million in 1982. Provisions for losses in the Atlantic Region were small, in Ontario moderate, and in the West, significant. Your directors expect provisions for loan losses in 1984 to decline in all parts of Canada other than in Calgary and Edmonton, where additional losses will be identified.

The Company holds for sale properties which it has acquired on the foreclosure of mortgage loans. At the end of 1982 these were carried on its books at \$11.6 million. During 1983 this balance grew and on December 31, 1983 amounted to \$36.5 million. Most of these properties are unproductive and adversely affect profits in direct proportion to the balance in this account. Some of these properties will be sold in 1984 and others will be acquired. We do not expect, however, a net reduction in this account during the current year.

The Company has established a reserve for mortgage and loan losses. This reserve amounted to \$7.9 million at year end. In the opinion of your directors this reserve is adequate to meet anticipated losses.

### **MICC Investments Limited**

The Company owns 2,228,000 common shares of MICC Investments Limited having a book value of \$23,666,000, being \$10.62 per share, and 273,500 cumulative redeemable convertible second preference shares of MICC having a book value of \$7,730,000, being \$26.95 per share.

Following completion of the audit of your Company's accounts for 1983, MICC announced that while its 1983 audited financial statements were not yet available, a change in the treatment of deferred income taxes and the setting up of a reserve for future losses would have the effect of increasing its expected reported loss from \$1.8 million to \$85.5 million.

As a result the Company has written down the carrying value of its holding of common shares of MICC to \$11,141,000, being \$5.00 per share and its holding of convertible preference shares to \$6,837,000, being \$25 per share, the par value thereof.

### **Shareholders' Equity**

In July, 1983 the Company offered for sale to the public 600,000 of its cumulative, redeemable, retractable, 1983 preference shares and 1,600,000 of its common shares. These issues were fully subscribed and \$33 million was added to shareholders' equity. This addition supported the increase in assets of \$452 million in 1983.

### **Computerization**

In 1980 the Company began the development of two on-line communication networks to link its major branches with its head office in Halifax.

In 1982 the on-line banking network was activated in the nine Toronto branches. In 1983 the five metro Halifax branches were added and in 1984 this network will be extended to at least ten additional Maritime branches.

In 1982 the Company established an on-line branch service network connecting twenty-four branches in Atlantic Canada and Ontario with its Halifax head office. Its guaranteed investment certificate, debenture and mortgage portfolios are now on-line. This service will be extended to other branches in 1984.

In 1981 the Company completed the first phase of the computerization of its estate, trust and agency accounts in the Atlantic Region and in early 1984 completed a major enhancement of this system. The Company is presently considering a plan to integrate the Crown data processing system with that used in the Atlantic Provinces.

In 1983 the Company purchased a software program as part of its plan to computerize its consumer loan portfolios. Using this program, the consumer loan portfolios will be added to the Company's on-line branch service network. It is expected that this conversion will be completed in the fourth quarter of 1984.

As part of the Crown Trust transaction the Company acquired Crown's stock transfer business. In order to improve the quality and variety of services offered to its customers the Company is developing a direct data entry telecommunication network extending from Halifax to Vancouver. This system will be operational in late 1984.

### **Directors**

Harold P. Connor, deputy chairman of the board of directors, D. Chester Campbell and Irving C. Pink will not be re-offering for election as directors at the annual meeting of shareholders because of the provisions of the Company's by-laws concerning age. In addition David S. Ades will not re-offer for election to the board.

Mr. Connor first became a director of The Eastern Canada Savings and Loan Company in 1949 and held the position of chairman of the board of directors in 1976 when that company amalgamated with Central and Nova Scotia Trust Company to form Central and Eastern Trust Company. Mr. Campbell joined the board of The Central Trust Company of Canada in 1971 and Mr. Pink joined the board of The Nova Scotia Trust Company in 1972. David S. Ades was president of Federal Trust Company in 1980 when its shares were acquired by Central and Eastern Trust Company.

On behalf of the shareholders we extend our thanks to these retiring directors for their many years of service to the Company and its shareholders.

### **Outlook for 1984**

In 1984 the Company will seek substantial increases in its deposits and investments by utilizing the excellent branch network which is now in place. It expects to improve the spread on its fixed rate portfolios and is budgeting for an increase in the fee revenue from its estate, trust and agency business. As a result the Company expects that net income for 1984 will exceed 1983's net income before the extraordinary item, of \$9,600,000.

### **Employees**

At year end the Company had 1,210 skilled and highly motivated employees and real estate sales persons. We thank them on your behalf for making 1983 one of the most successful in the Company's history.

On behalf of the board of directors,



Henry B. Rhude  
Chairman and Chief Executive Officer  
March 2, 1984





## Consolidated Statement of Income

For the Year Ended December 31, 1983

	1983	1982
<b>Income</b>		
Interest from mortgages and loans	\$235,248,000	\$212,995,000
Interest and dividends from investments	21,119,000	31,918,000
Fees and commissions	18,769,000	5,561,000
Real estate sales commissions	4,402,000	2,748,000
Other income	4,857,000	3,354,000
	<u>284,395,000</u>	<u>256,576,000</u>
<b>Expenses</b>		
Interest on deposits and certificates	217,459,000	223,136,000
Salaries and staff benefits	23,355,000	14,762,000
Commissions to real estate agents	2,336,000	1,417,000
Other expenses	20,954,000	11,792,000
Depreciation and amortization	1,237,000	1,107,000
	<u>265,341,000</u>	<u>252,214,000</u>
Operating income before income tax	19,054,000	4,362,000
Income tax (recovery) (Note 8)	6,552,000	( 1,927,000)
<b>Net Operating Income</b>	12,502,000	6,289,000
Net losses on investments and loans (Note 9)	2,902,000	1,606,000
Loss from equity investment (Note 13)	—	1,674,000
<b>Net Income Before Extraordinary Item</b>	9,600,000	3,009,000
Reduction in carrying value of investment in MiCC Investments Limited (Note 14)	5,857,000	—
<b>Net Income</b>	<u>\$ 3,743,000</u>	<u>\$ 3,009,000</u>
Earnings per common share after provision for dividends on preference shares		
Net operating income	\$ 1.42	\$ 62
Net income before extraordinary item	\$ 1.01	\$ 10
Net income	\$ .18	\$ 10
Common shares outstanding (weighted average)	7,076,543	6,238,975

## Consolidated Statement of Retained Earnings

For the Year Ended December 31, 1983

	1983	1982
Balance at beginning of year as restated (Note 13)	\$20,004,000	\$24,377,000
Net income for the year	3,743,000	3,009,000
	<u>23,747,000</u>	<u>27,386,000</u>
Dividends to preference shareholders	2,465,000	2,390,000
Dividends to common shareholders	5,664,000	4,992,000
Balance at end of year	<u>\$15,618,000</u>	<u>\$20,004,000</u>

## Consolidated Statement of Contributed Surplus

For the Year Ended December 31, 1983

	1983	1982
Balance at beginning of year	\$ 6,466,000	\$ 6,378,000
Excess of net proceeds from issue of common and preference shares over par value	12,810,000	88,000
Balance at end of year	<u>\$19,276,000</u>	<u>\$ 6,466,000</u>

## Consolidated Balance Sheet

December 31, 1983

### Assets

	<u>1983</u>	<u>1982</u>
Cash and short term investments	\$ 97,599,000	\$ 129,419,000
Securities (Note 2)		
Bonds	42,441,000	49,368,000
Stocks	89,906,000	92,676,000
	<u>132,347,000</u>	<u>142,044,000</u>
Mortgages	1,605,606,000	1,412,050,000
Loans and advances	498,997,000	200,814,000
Investment at equity	—	23,667,000
Office premises and equipment (Note 3)	11,580,000	10,915,000
Other assets (Note 4)	42,804,000	17,847,000
	<u>\$2,388,933,000</u>	<u>\$1,936,756,000</u>



**Liabilities**

	<u>1983</u>	<u>1982</u>
Deposits (Note 5)		
Savings and other demand	<b>\$ 558,595,000</b>	\$ 431,781,000
Short term	<b>166,771,000</b>	40,785,000
Term	<b>1,541,608,000</b>	1,361,095,000
	<b>2,266,974,000</b>	1,833,661,000
Notes, mortgages and capital leases (Note 6)	<b>8,957,000</b>	8,624,000
Shareholders' subordinated notes	<b>—</b>	7,000,000
Other liabilities	<b>7,897,000</b>	7,015,000
	<b>16,854,000</b>	22,639,000
	<b>2,283,828,000</b>	1,856,300,000
Deferred income taxes	<b>—</b>	4,036,000
Shareholders' equity		
Capital stock (Note 7)	<b>70,211,000</b>	49,950,000
Contributed surplus	<b>19,276,000</b>	6,466,000
Retained earnings	<b>15,618,000</b>	20,004,000
	<b>105,105,000</b>	76,420,000
	<b>\$2,388,933,000</b>	\$1,936,756,000

We hereby certify that to the best of our knowledge and belief the Consolidated Balance Sheet and Consolidated Statements of Income, Retained Earnings, Contributed Surplus and Changes in Financial Position of Central Trust Company are correct and show truly and clearly the financial condition of the Company's affairs

Henry B. Rhude  
Director

Royden J. MacBurnie  
Director

George B. Robertson  
Director

## Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 1983

	1983	1982
<b>Funds provided from</b>		
Increase in deposits		
Demand	<b>\$126,814,000</b>	\$ 78,088,000
Short term	<b>125,986,000</b>	( 44,246,000)
Term	<b>180,513,000</b>	( 2,930,000)
	<b>433,313,000</b>	30,912,000
Operations		
Net income	<b>3,743,000</b>	3,009,000
Depreciation, deferred income taxes and other non-cash items charged (credited) to net income	<b>13,365,000</b>	( 1,285,000)
	<b>17,108,000</b>	1,724,000
Proceeds from shareholders' subordinated note	—	7,000,000
Proceeds from capital stock issued		
Preference shares	<b>15,000,000</b>	—
Common shares	<b>20,384,000</b>	209,000
Total Provided	<b>\$485,805,000</b>	\$ 39,845,000
<b>Funds applied to</b>		
Increase in investments		
Cash and short term	<b>(\$ 31,820,000)</b>	(\$ 13,434,000)
Bonds	<b>( 6,927,000)</b>	( 12,835,000)
Stocks	<b>( 13,379,000)</b>	( 10,814,000)
Mortgages	<b>194,214,000</b>	40,036,000
Loans and advances	<b>298,228,000</b>	32,881,000
	<b>440,316,000</b>	35,834,000
Repayment of shareholders' subordinated note	<b>7,000,000</b>	—
Additions to premises and equipment, net	<b>1,112,000</b>	840,000
Increase in real estate held for sale	<b>24,962,000</b>	800,000
Net increase (decrease) in other assets over other liabilities	<b>2,961,000</b>	( 6,336,000)
Redemption of preference shares	<b>1,325,000</b>	1,325,000
Dividends paid — preference shares	<b>2,465,000</b>	2,390,000
— common shares	<b>5,664,000</b>	4,992,000
Total Applied	<b>\$485,805,000</b>	\$ 39,845,000

### Auditors' Report to the Shareholders

#### To the Shareholders of Central Trust Company

We have examined the consolidated balance sheet of Central Trust Company as at December 31, 1983 and the consolidated statements of income, retained earnings, contributed surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond  
Chartered Accountants

Halifax, Nova Scotia  
March 2, 1984



## Notes to Consolidated Financial Statements

December 31, 1983

### 1 Summary of Significant Accounting Policies:

(a) **Consolidation.** The financial statements reflect the consolidated financial position at December 31, 1983 and the consolidated results of operations for the year ended on that date of Central Trust Company and its wholly-owned subsidiary companies; Central and Eastern Mortgage Corporation, Novatrust Properties Ltd., Federal Trustco Properties Limited and Yarmouth Building and Loan Society.

In December, 1982, MICC Investments Limited and Inter-City Gas Corporation entered into an agreement, the effect of which has resulted in a change in Central Trust Company's proportionate representation on the Board of Directors of MICC and has reduced the Company's holdings therein to approximately 15% on a fully diluted basis. The Company is of the opinion that it is now more appropriate to account for this investment on the cost basis and accordingly has discontinued the equity basis of accounting for its investment therein. The cost basis of accounting has therefore been applied to this investment since January 1, 1983.

(b) **Securities.** Bonds are stated at amortized cost plus accrued interest and stocks at cost plus dividends receivable. Gains and losses on securities are reflected in net income as realized, except as outlined in Note 14.

(c) **Office Premises and Equipment.** Land is stated at cost, and office premises and equipment are stated at cost less accumulated depreciation and amortization. Rates of depreciation and amortization applied against the cost of these assets are as follows:

Buildings	— 2½% straight line
Equipment	— 20% declining balance
Leasehold improvements	— Straight line over the terms of the leases, but not less than 10% per annum

Gains and losses on disposals are included in net income as realized.

(d) **Deferred Costs.** Costs relating to the development of major computer systems and the deposit commissions paid in accordance with the Agreement referred to in Note 11 are amortized on a straight line basis over a maximum term of five years from the completion date and the payment date respectively.

(e) **Mortgage Rate Reductions.** From time to time the Company makes mortgage loans at rates of interest below current market rates in consideration of a payment by the mortgagors. A portion of such payments is amortized into income over the terms of the mortgages.

(f) **Deferred Income Taxes.** The Company follows the tax allocation basis of accounting whereby income taxes are deferred to future years as a result of the deduction of amounts allowable in computing income for tax purposes which are greater or less than the amounts provided for in the accounts, with respect to investment reserve, depreciation and other items.

(g) **Comparative Information.** Financial information for 1982 has been reclassified, where necessary, for comparative purposes.

### 2 Securities

Stated and market values at December 31

	1983		1982	
	Stated Value	Market Value*	Stated Value	Market Value
<b>Bonds</b>				
Government of Canada	\$ 18,247,000	\$ 17,938,000	\$ 12,610,000	\$ 12,377,000
Provinces of Canada	20,924,000	16,750,000	31,451,000	26,842,000
Other	3,270,000	2,887,000	5,307,000	4,745,000
	<u>42,441,000</u>	<u>37,575,000</u>	<u>49,368,000</u>	<u>43,964,000</u>
<b>Stocks</b>				
Preferred	64,047,000	55,840,000	81,314,000	72,987,000
Common				
MICC Investments Limited	11,141,000	11,141,000	—	—
Other	14,718,000	14,015,000	11,362,000	9,126,000
	<u>89,906,000</u>	<u>80,996,000</u>	<u>92,676,000</u>	<u>82,113,000</u>
	<u>\$132,347,000</u>	<u>\$118,571,000</u>	<u>\$142,044,000</u>	<u>\$126,077,000</u>

\*The common shares of MICC Investments Limited are valued at \$5.00 per share being the approximate price at which such shares traded on the Toronto Stock Exchange on February 27, 1984.

### 3 Office Premises and Equipment

	1983	1982
Land	\$ 1,170,000	\$ 1,241,000
Buildings	6,250,000	7,149,000
Equipment and leasehold improvements	12,727,000	10,569,000
Total cost	20,147,000	18,959,000
Less accumulated depreciation	8,567,000	8,044,000
	<u>\$11,580,000</u>	<u>\$10,915,000</u>

### 4 Other Assets

	1983	1982
Real estate held for sale, at estimated realizable value	\$30,474,000	\$ 9,121,000
Real estate investment properties, at cost less accumulated depreciation \$324,000 (1982 — \$232,000)	5,333,000	5,406,000
Deferred income taxes	1,206,000	—
Other	5,791,000	3,320,000
	<u>\$42,804,000</u>	<u>\$17,847,000</u>

5 **Guaranteed Investment Account** Total assets at December 31, 1983 of \$2,388,933,000 (1982 — \$1,936,756,000) include assets held for Guaranteed Investment Account of \$2,266,974,000 (1982 — \$1,833,661,000) securing guaranteed investment liabilities of like amount.

6 **Notes, Mortgages and Capital Leases** The liabilities included herein are secured by a first charge on specific assets having a net book value of \$13,330,000 (1982 — \$13,251,000).

The minimum payments required on these liabilities for the next five years are as follows:

1984	1985	1986	1987	1988
\$613,000	\$689,000	\$776,000	\$771,000	\$824,000

7 **Capital Stock** The Company's authorized capital is \$521,625,000 (1982 — \$322,950,000) and its issued capital as at December 31, 1983 is \$70,211,000 (1982 — \$49,950,000), particulars of which are as follows:

	1983	1982
7,912,000 cumulative, redeemable preference shares with a par value of \$25 each issuable in series (the "1981 Class Preference Shares")		
Issued and outstanding		
Series A — 432,000 shares (1982 — 456,000 shares)	\$10,800,000	\$11,400,000
Series B — 180,000 shares (1982 — 190,000 shares)	4,500,000	4,750,000
Series C — 180,000 shares (1982 — 190,000 shares)	4,500,000	4,750,000
8,000,000 preference shares with a par value of \$25 each issuable in series (the "1983 Class Preference Shares")		
Issued and outstanding		
Series 1 — 600,000 shares	15,000,000	—
382,500 7½% cumulative, redeemable, non-voting preference shares with a par value of \$10 each (the "7½% Preference Shares")		
Issued and outstanding		
382,500 shares (1982 — 405,000 shares)	3,825,000	4,050,000
30,000,000 common shares with a par value of \$4 each		
Issued and outstanding		
7,896,613 shares (1982 — 6,250,019 shares)	31,586,000	25,000,000
	<u>\$70,211,000</u>	<u>\$49,950,000</u>

**1981 Class Preference Shares.** The 1981 Class Preference Shares may be issued in one or more series. Each series will rank on a parity with every other series of 1981 Class Preference Shares, with the 1983 Class Preference Shares and with the 7½% Preference Shares. The Company is required to redeem in each calendar year 5% of any such issued and fully paid preference shares at a price of \$25 per share plus the amount of all dividends accrued and unpaid thereon up to the date fixed for redemption. The consent of the Superintendent of Insurance (Canada) must be obtained prior to the preference shares of any series being redeemed, purchased, reduced or otherwise paid off by the Company.



The Company has issued three series (Series A, Series B and Series C) of 1981 Class Preference Shares. Pursuant to the above redemption provisions the Company redeemed 24,000 Series A shares, 10,000 Series B shares and 10,000 Series C shares for cash in 1983. In summary, the terms and conditions attached to the 1981 Class Preference Shares which have been issued are as follows:

**Series A.** Series A shares are entitled to a quarterly dividend at a rate, expressed on a per annum basis, equal to the sum of  $1\frac{3}{4}\%$  and  $\frac{1}{2}$  the mean prime rate of five Canadian chartered banks, to a maximum of  $9\frac{3}{4}\%$  per year. This rate may, however, be increased by the Company upon the occurrence of certain events resulting from changes in tax legislation.

**Series B.** Series B shares are entitled to a quarterly dividend. The rate is adjusted quarterly and expressed on a per annum basis and will equal the sum of  $\frac{1}{2}$  the prime rate of two Canadian chartered banks and  $1\frac{3}{4}\%$ .

**Series C.** Series C shares are entitled to a quarterly dividend. The rate is adjusted quarterly and expressed on a per annum basis and will equal the sum of  $\frac{1}{2}$  the prime rate of two Canadian chartered banks and  $1\frac{1}{8}\%$ . The dividend rate may be increased by the Company upon the occurrence of certain events resulting from changes in tax legislation.

**Series A, B and C** preference shares may be redeemed, or purchased for cancellation, at the option of the Company in whole or in part, at any time, subject to certain conditions. The shares of all three series are retractable at the option of the respective holders thereof on March 31, 1991, at par plus accrued and unpaid dividends. The Company has the right to adjust the basis for determining the dividend rate and to establish additional retraction privileges applicable to each series at that time. These shares are non-voting unless two quarterly dividends of any series of 1981 Class Preference Shares issued are in arrears or the Company fails to redeem any shares as required and such failure continues for a period of six months. Any voting rights so acquired terminate when such situations are rectified.

**1983 Class Preference Shares.** The 1983 Class Preference Shares may be issued in one or more series. Each series will rank on a parity with every other series of 1983 Class Preference Shares, with the 1981 Class Preference Shares and with the  $7\frac{1}{2}\%$  Preference Shares. These shares are non-voting unless eight quarterly dividends on any series of 1983 Class Preference Shares are in arrears in which case any voting rights so acquired terminate when such dividends have been paid. The consent of the Superintendent of Insurance (Canada) must be obtained prior to shares of any series being redeemed, purchased, reduced or otherwise paid off by the Company.

During the year the Company issued for cash one series ("Series 1") of 1983 Class Preference Shares consisting of 600,000 cumulative, redeemable, retractable preference shares, pursuant to an underwriting agreement dated June 16, 1983. In summary, the terms and conditions attached to the Series 1 preference shares are as follows:

The Series 1 shares are entitled to a fixed cumulative dividend of \$2.3125 per share per annum, payable quarterly on the first day of January, April, July and October in each year. They are retractable at the option of the respective holders thereof on July 1, 1993 at a price of \$25.00 per share plus accrued and unpaid dividends. The Company has the right once at any time before the retraction date to increase the dividend rate on those shares effective as of a dividend date following July 1, 1993. The Series 1 preference shares may be redeemed, at the option of the Company, in whole or in part, at any time after July 1, 1991, subject to certain conditions.

The Series 1 preference shares may be purchased for cancellation, at the option of the Company, in whole or in part, at any time, subject to certain conditions. The Company shall make all reasonable efforts to purchase for cancellation during each calendar quarter commencing July 1, 1988 and thereafter, a prescribed number of Series 1 preference shares at a price of \$25.00 per share, plus accrued and unpaid dividends and costs of purchase.

**$7\frac{1}{2}\%$  Preference Shares.** The  $7\frac{1}{2}\%$  Preference Shares are entitled to a quarterly dividend at the rate of  $7\frac{1}{2}\%$  per annum. The Company is required to purchase 22,500 of these shares for cancellation in each year at par plus accrued and unpaid dividends thereon to the date fixed for such purchase. 22,500 of these shares were purchased for cash by the Company in 1983. All  $7\frac{1}{2}\%$  Preference Shares outstanding on May 16, 1990 are to be redeemed by the Company at that time at par plus accrued and unpaid dividends. The Company may, at its option, redeem all or any part of these shares prior to 1990, subject to certain conditions. The consent of the Superintendent of Insurance (Canada) must be obtained prior to any of the  $7\frac{1}{2}\%$  Preference Shares being redeemed, purchased, reduced or otherwise paid off by the Company.

**Common Shares.** During the year, the Company issued 1,646,594 common shares from Treasury for cash of which 1,600,000 shares were issued under the terms of a public offering pursuant to an underwriting agreement dated June 16, 1983.

The Company has a dividend reinvestment and stock purchase plan enabling shareholders to acquire additional common shares from Treasury at a specified price by reinvesting dividends and/or by payment of cash. During the year, 24,094 shares were issued under this plan.

The Company has reserved 250,000 common shares for a stock option plan in favor of certain executives in the full-time employment of the Company. Under an Option Agreement dated August 10, 1982, expiring August 10, 1985, options have been granted for 250,000 common shares at 90% of the market price on the day of granting the options. To December 31, 1983, 22,500 shares have been issued under this plan.



- 8 Income Taxes** At December 31, 1983, tax losses of \$20,000,000 have accumulated which can be used to offset taxable income in future years. The tax effect of these losses has been recognized in the determination of the Company's deferred income tax position at December 31.

**9 Net Losses on Investments and Loans**

	1983	1982
Provision for mortgage and loan losses	\$8,192,000	\$3,461,000
Securities (gains) losses	( 1,056,000)	154,000
Fixed assets, (gains) on disposals	( 720,000)	( 268,000)
	6,416,000	3,347,000
Related income taxes	3,514,000	1,741,000
	<u>\$2,902,000</u>	<u>\$1,606,000</u>

**10 Commitments**

**Leases.** The commitments made under long term leases for premises and equipment for the next five years are as follows:

1984	1985	1986	1987	1988
\$3,432,000	\$3,301,000	\$2,626,000	\$2,093,000	\$1,777,000

**Office Premises.** The Company has an outstanding commitment to purchase leasehold improvements totalling \$1,300,000 from Crown Trust Company subject to the assignment of leases related thereto.

**Mortgage and Loan Advances.** Outstanding commitments for mortgage and loan advances at December 31, 1983 amounted to \$109,740,000 (1982 — \$91,056,000).

**11 Contractual Obligation — Agency and Operating Agreement relating to Crown Trust Company**

On February 7, 1983, the Company entered into an Agency and Operating Agreement with Crown Trust Company, the Registrar under the Loan and Trust Corporations Act (Ontario) and Canada Deposit Insurance Corporation, whereby Central Trust Company was appointed agent of Crown Trust Company to conduct, manage, operate and administer substantially all of the business, affairs, undertaking, operations, assets, liabilities and obligations of Crown Trust Company until February 7, 1988.

The Company is to pay to Crown Trust Company during the term of the Agreement (1) commissions to a maximum of \$7,000,000 based on the deposit liabilities reflected in the records of the former Crown branches and (2) commissions in respect of the revenue earned on the estates, trusts and agencies administered by the Company as agent for Crown Trust Company.

The Company receives a fee for its services to Crown Trust Company.

- 12 Contingency** The Company has received claims of approximately \$2,300,000 arising from guarantees that the Company allegedly made on behalf of clients of a brokerage firm. The Company has denied any liability with respect thereto. One of these claims formed the basis of an action against the Company in the Supreme Court of Nova Scotia, Trial Division, and was dismissed by the Court on February 29, 1984.

Since the Company does not anticipate that a loss will result, no provision has been made in the accounts for such an occurrence. If any loss is eventually incurred, it will be treated as a prior period adjustment.

- 13 Prior Period Adjustment** The Company has been advised by MICC Investments Limited that its loss for 1982 was overstated by \$2,500,000 as a result of an error by MICC in calculating security gains. The Company's share of this adjustment totals \$489,000 and the comparative results for the year ended December 31, 1982 and the opening retained earnings as at January 1, 1983 have been restated to reflect this adjustment.

- 14 Subsequent Event** On February 23, 1984 MICC Investments Limited announced that it had made a change in the treatment of deferred income taxes and had set up a reserve for future losses which had the effect of increasing its expected reported loss for 1983 from \$1.8 million to \$85.5 million. As a result, the Company considers that there has been an impairment in the value of its investment in MICC and has written down its holding of common shares to the approximate price at which such shares traded on the Toronto Stock Exchange on February 27, 1984 and its holding of convertible second preference shares to the par value thereof. Accordingly, \$5,857,000, net of income taxes, has been charged as an extraordinary item against income for the year. The common shares are now carried on the books of the Company at a value of \$11,141,000, being \$5.00 per share.



The Company's Vancouver branch office is located in the heart of the financial district on West Pender Street.



## Comparative Five Year Record

For the Year Ended (In Thousands)	1983	1982	1981	1980	1979
<b>Income</b>					
Interest and dividends	\$ 256,367	\$ 244,913	\$ 231,108	\$ 173,399	\$ 135,029
Fees and commissions	23,171	8,309	7,284	6,462	6,861
Other operating income	4,857	3,354	3,195	2,613	1,767
	<b>284,395</b>	<b>256,576</b>	<b>241,587</b>	<b>182,474</b>	<b>143,657</b>
<b>Expenses</b>					
Interest on deposits	217,459	223,136	214,792	157,233	117,455
Salaries, commissions and staff benefits	25,691	16,179	15,840	13,152	11,018
Other operating expenses	22,191	12,899	12,761	10,647	8,149
	<b>265,341</b>	<b>252,214</b>	<b>243,393</b>	<b>181,032</b>	<b>136,622</b>
OPERATING INCOME	<b>19,054</b>	<b>4,362</b>	<b>( 1,806)</b>	<b>1,442</b>	<b>7,035</b>
Income tax recovery (expense)	( 6,552)	1,927	5,223	2,614	( 905)
<b>Net Operating Income</b>	<b>12,502</b>	<b>6,289</b>	<b>3,417</b>	<b>4,056</b>	<b>6,130</b>
Net gains (losses) on investments and loans	( 2,902)	( 1,606)	1,281	1,011	1,423
Income (loss) from equity investment	—	( 1,674)	1,714	1,908	—
<b>Net Income Before Extraordinary Item</b>	<b>9,600</b>	<b>3,009</b>	<b>6,412</b>	<b>6,975</b>	<b>7,553</b>
Reduction in carrying value of investments in MICC Investments Limited	5,857	—	—	—	—
<b>Net Income</b>	<b>\$ 3,743</b>	<b>\$ 3,009</b>	<b>\$ 6,412</b>	<b>\$ 6,975</b>	<b>\$ 7,553</b>
Earnings per common share after providing for dividends on preference shares					
Net operating income	\$ 1.42	\$ .62	\$ .20	\$ .70	\$ 1.14
Net income	.18	.10	.75	1.24	1.41
Dividends paid on common shares	.80	.80	.80	.90	.80
<b>At December 31 (In Thousands)</b>					
Assets under administration	<b>\$3,622,000</b>	<b>\$2,388,000</b>	<b>\$2,346,000</b>	<b>\$2,296,000</b>	<b>\$1,729,000</b>
Company and guaranteed assets	<b>2,389,000</b>	<b>1,936,000</b>	<b>1,907,000</b>	<b>1,814,000</b>	<b>1,407,000</b>
Estates, trusts and agency accounts	<b>1,233,000</b>	<b>452,000</b>	<b>439,000</b>	<b>482,000</b>	<b>322,000</b>
Mortgage loans	<b>1,605,000</b>	<b>1,412,000</b>	<b>1,372,000</b>	<b>1,360,000</b>	<b>1,125,000</b>
Demand deposits	<b>559,000</b>	<b>432,000</b>	<b>310,000</b>	<b>264,000</b>	<b>184,000</b>
Term deposits	<b>1,708,000</b>	<b>1,402,000</b>	<b>1,493,000</b>	<b>1,467,000</b>	<b>1,143,000</b>
Shareholders' equity	<b>105,000</b>	<b>76,000</b>	<b>82,000</b>	<b>57,000</b>	<b>52,000</b>
<b>Statistical Data</b>					
Average number of common shares outstanding	<b>7,076,543</b>	<b>6,238,975</b>	<b>5,436,399</b>	<b>5,395,747</b>	<b>5,371,334</b>
Number of common shareholders at year end	<b>3,463</b>	<b>2,800</b>	<b>2,815</b>	<b>2,865</b>	<b>2,899</b>
Number of common shares traded during year	<b>701,900</b>	<b>177,750</b>	<b>267,300</b>	<b>294,000</b>	<b>397,100</b>
Price range of common shares					
— high	\$ 14.00	\$ 9.50	\$ 12.75	\$ 13.75	\$ 13.75
— low	\$ 8.50	\$ 5.50	\$ 6.62	\$ 10.50	\$ 10.50
Number of full time employees at year end	<b>1078</b>	<b>704</b>	<b>752</b>	<b>772</b>	<b>617</b>
Number of real estate sales representatives	<b>138</b>	<b>113</b>	<b>111</b>	<b>137</b>	<b>127</b>
Return on average common shareholders' equity	<b>2.17%</b>	<b>1.16%</b>	<b>8.10%</b>	<b>13.10%</b>	<b>15.10%</b>
Return on average assets	<b>.17%</b>	<b>.16%</b>	<b>.34%</b>	<b>.43%</b>	<b>.57%</b>
Number of full service branch offices	<b>56</b>	<b>46</b>	<b>44</b>	<b>44</b>	<b>32</b>

## Interest Rate Sensitivity

During the last three years one of the Company's major objectives was to bring about a matching of assets and liabilities. The object has been

- (1) to match interest sensitive assets with interest sensitive deposits; and
- (2) to match term investments maturing each year with equal maturities of term deposits.

The "**Schedule of Assets and Liabilities by Interest Sensitivity**" indicates that the matching of interest sensitive assets and liabilities is now satisfactory.

The "**Schedule of Maturities**" shows the progress with respect to matching assets and liabilities by year of maturity and indicates that matching by year of maturity is now within acceptable tolerances.

### Schedule of Assets and Liabilities by Interest Sensitivity

December 31, 1983

(\$000)

#### Interest Sensitive Assets

Cash and short term investments	\$ 97,599
Mortgages and loans	551,271
Preferred shares	6,080
	<u>\$ 654,950</u>

#### Interest Sensitive Liabilities

Short term deposits	\$ 166,771
Other deposits	558,595
	<u>\$ 725,366</u>

#### Fixed Rate Assets

Mortgages, loans and other advances	\$1,553,332
Preferred shares	699
Bonds	42,441
Other assets	6,997
	<u>\$1,603,469</u>

#### Fixed Rate Liabilities

Deposits	\$1,541,608
Other liabilities	16,854
	<u>\$1,558,462</u>

#### Long Term Investments

Common and preferred shares	\$ 83,127
Real estate and equipment	11,580
Real estate held for sale	30,474
Real estate investments	5,333
	<u>\$ 130,514</u>

#### Shareholders' Equity

Capital stock	\$ 70,211
Contributed surplus	19,276
Retained earnings	15,618
	<u>\$ 105,105</u>

Total Assets

\$2,388,933

Total Liabilities

\$2,388,933

### Schedule of Maturities

December 31, 1983

(\$000)

	Principal Amount Mortgages & Other Investments	Principal Amount of Maturing Liabilities	Mismatch-Assets Over (Under) Liabilities
Demand and within 1 year	\$1,403,224	\$1,381,079	\$22,145
1-2 years	312,049	292,476	19,573
2-3 years	283,091	323,585	( 40,494)
3-4 years	41,975	46,519	( 4,544)
4-5 years	180,927	178,791	2,136
Over 5 years	167,667*	166,483**	1,184
	<u>\$2,388,933</u>	<u>\$2,388,933</u>	<u>---</u>

\*Includes stocks, bonds, premises and equipment and sundry items.

\*\*Includes shareholders' equity, etc.



The artist's rendition of the Central Trust Tower, Halifax, scheduled for opening in the spring of 1985. The Company's Head Office will be located in the new building and a full service branch will occupy the ground level.



## Board of Directors

### **David S. Ades**

Willowdale, Ontario  
President, RealCap Holdings Limited

### **George J. Bingham**

Moncton, N.B.  
Partner, Bingham, Bingham and  
Macklem (Barristers and Solicitors)

### **D. Chester Campbell**

Fredericton, N.B.  
President, Tractors and Equipment  
(1962) Ltd.

### **Angela Cantwell**

St. John's, Newfoundland  
Chairman and Chief Executive Officer  
Bowring Brothers Limited

### **H. Reuben Cohen**

Moncton, N.B.  
(Barrister and Solicitor)

### **Harold P. Connor**

Halifax, N.S.  
Deputy Chairman of the Board  
Central Trust Company

### **Arthur M. Dechman**

Bridgewater, N.S.  
President and General Manager  
Acadia Construction Limited

### **Glendon F. Eddy**

Bathurst, N.B.  
Corporate Director

### **Leonard Ellen**

Westmount, P.Q.  
Chairman, Leonard Ellen Canada Inc.

### **Hume M. Ellis**

Shediac, N.B.  
Corporate Director

### **Douglas J. Hamm**

Sackville, N.B.  
Chairman, Atlantic Wholesalers  
division of Loblaw's Limited

### **Royden J. MacBurnie**

Dartmouth, N.S.  
Senior Vice-President, Finance  
Central Trust Company

### **Horace R. MacFarlane**

Summerside, P.E.I.  
President, Prince Edward Island  
Bag Co. Ltd.

### **W. John MacInnes**

Halifax, N.S.  
Senior Partner, MacInnes, Wilson &  
Hallett (Barristers and Solicitors)

### **Ralph M. Medjuck**

Halifax, N.S.  
Chairman and Chief Executive Officer  
Scotia Energy Resources Limited

### **J. Edward Murphy**

Moncton, N.B.  
Partner, Murphy, Murphy & Mollins  
(Barristers and Solicitors)

### **R. Wendell Phinney**

Kentville, N.S.  
President  
Phinney Holdings Limited

### **Irving C. Pink**

Yarmouth, N.S.  
(Barrister and Solicitor)

### **Henry B. Rhude**

Halifax, N.S.  
Chairman and Chief Executive Officer  
Central Trust Company

### **George B. Robertson**

Halifax, N.S.  
Partner, McInnes, Cooper & Robertson  
(Barristers and Solicitors)

### **M. Adelard Savoie**

Dieppe, N.B.  
Partner, Yeoman, Savoie, LeBlanc &  
Associates (Barristers and Solicitors)

### **William E. Schwartz**

Halifax, N.S.  
President, Schwartz Inc.

### **Donald M. Smith**

London, England  
Agent General, Province of Nova Scotia

### **John E. C. Winslow**

Woodstock, N.B.  
President, Winslow & Winslow Limited

Honorary Chairman of the Board

### **Richard J. Logue**

East Bay, N.S.

## Committees of the Board of Directors

### **Executive Committee**

Chairman: Henry B. Rhude  
D. Chester Campbell  
H. Reuben Cohen  
Harold P. Connor  
Leonard Ellen  
Douglas J. Hamm  
J. Edward Murphy  
George B. Robertson

### **Mortgage Committee**

Chairman: Henry B. Rhude  
Winston P. Bradley  
Harold P. Connor  
Royden J. MacBurnie  
W. John MacInnes  
Ralph M. Medjuck  
William E. Schwartz

### **Trust Committee**

Chairman: Irving C. Pink  
Glendon F. Eddy  
Royden J. MacBurnie  
W. John MacInnes  
M. Adelard Savoie

### **Investment Committee**

Chairman: Harold P. Connor  
H. Reuben Cohen  
Leonard Ellen  
Henry B. Rhude

### **Audit Committee**

Chairman: Hume M. Ellis  
Royden J. MacBurnie  
W. John MacInnes  
George B. Robertson

### **Pension Committee**

Chairman: George B. Robertson  
Harold P. Connor  
Donald L. Copeland  
Elizabeth A. MacDonald  
W. John MacInnes

## Officers and Management

### Officers

Henry B. Rhude, Q.C.  
Chairman and Chief Executive Officer

Harold P. Connor, B.A., LL.B.  
Deputy Chairman of the Board

Winston P. Bradley  
Senior Vice-President, Lending

Kenneth R. Eddy, B.A.  
Senior Vice-President,  
Branch Operations

Royden J. MacBurnie, F.C.A., F.T.C.I.  
Senior Vice-President, Finance

Harold T. Martin, LL.B.  
Senior Vice-President,  
Trust Services

Donald W. Saunders, B.B.A.  
Senior Vice-President,  
Corporate Planning

J. Edward Murphy, Q.C.  
Vice-President

Donald M. Smith  
Vice-President

Suzan M. MacLean, B.A., M.C.A., LL.B.  
Corporate Secretary and General Counsel

Valerie K. Rhind, B.A.  
Assistant Corporate Secretary



**Members of the Company's Management Committee are shown from left to right, Donald W. Saunders, Senior Vice-President, Corporate Planning; Kenneth R. Eddy, Senior Vice-President, Branch Operations; Henry B. Rhude, Chairman and Chief Executive Officer; Harold T. Martin, Senior Vice-President, Trust Services; Royden J. MacBurnie, Senior Vice-President, Finance and Winston P. Bradley, Senior Vice-President, Lending.**

### Management

F. Roland Avis, M.T.C.I.  
Vice-President, Data Processing

Llewellyn C. Chase, A.I.C.B.  
Manager, Data Processing

D. Dawn Nickerson  
Manager, Systems Development

Joseph E. Brinton, C.A.  
Vice-President, Accounting Services

Charles O. Hudson, B. Comm., R.I.A., M.C.I., M.T.C.I.  
Comptroller

Marilyn J. Swan  
Manager, Financial Planning

J. Jeffery W. Coates  
Vice-President, Mortgages

James G. Dodge, B. Sc., Dip. Eng., B. Comm., C.A.  
Manager, Mortgages and Commercial Lending

Ernest K. Davison, M.T.C.I.  
Vice-President, Trust Services (Atlantic)

G. Wilfred Fern, M.T.C.I.  
Vice-President, Corporate Trust Services

Anthony M. Kay, M.T.C.I.  
Vice-President, Personal Trust Services (Toronto)

Gerald N. Slaunwhite, M.T.C.I.  
Vice-President, Administration

Robert B. Blight, B. Comm., M.T.C.I.  
Assistant Vice-President, Trust Investments

Elizabeth A. MacDonald, B.A.  
Assistant Vice-President, Personnel

John G. Mroz, Q.C.  
Assistant Vice-President, Real Estate Sales

James W. Russell  
Assistant Vice-President, Consumer and  
Commercial Loans

Brent E. Everett, M.T.C.I.  
Manager, Deposit Services

Barry M. Martin, B.B.A., C.I.A.  
Manager, Audit Services

Mary E. Moulton  
Deposit Services Marketing Manager



## Directory of Regional and Branch Offices

### Nova Scotia Newfoundland Region

#### Regional Office

5415 Spring Garden Road  
Halifax, Nova Scotia  
B3J 3J1  
Telephone (902) 422-1331

Elliott L. Hayes, M.T.C.I.  
Vice-President, Branch Operations

Steven R. Fowler, B.Comm., M.T.C.I.  
Regional Manager, Trust Services

#### Branches, Branch Managers and Advisory Boards

##### Bedford, Nova Scotia

Bedford Office Tower  
William D. Flemming, B.Sc., Branch Manager

Advisory Board:  
Arthur J. Hustins, Jr., Chairman  
David F. English, LL.B.  
G. Royce Heffler  
John W. Payzant

##### Bridgewater, Nova Scotia

557 King Street  
William E. McInnis, Branch Manager

Advisory Board:  
Arthur M. Dechman, P.Eng., Chairman  
Robert C. Hebb  
Miriam E. Penny  
Cecil S. Smith, C.A.  
J. David F. Theakston, Q.C.

##### Dartmouth, Nova Scotia

97 Portland Street  
Darrell C. Kennie, Branch Manager

Francis A. MacDonald, Manager,  
Real Estate Sales  
Metro Halifax-Dartmouth

Advisory Board:  
C. Arnold Patterson, Chairman  
Douglas H. Cochrane  
Kirk E. MacCulloch  
Hector H. Newport  
Wylie F. Verge, M.D.

##### Halifax, Nova Scotia

5415 Spring Garden Road  
Harold Kempster, M.T.C.I., Branch Manager

1819 Granville Street  
Garry D. Stack, Branch Manager

Bayers Road Shopping Centre  
Larry M. Martin, M.T.C.I., Branch Manager

##### Kentville, Nova Scotia

42 Webster Street  
D. Keith MacDonald, M.T.C.I.  
Branch Manager

Advisory Board:  
R. Wendell Phinney, Chairman  
R. Owen DeWolfe  
K. Leroy Taylor, Q.C.  
Graham K. Thompson  
William F. Wade



**Clients are provided with immediate information on their Guaranteed Investment Certificate and Debenture portfolios through our computerized branch service network. In 1984 the Company will continue the extension of the service to other branch offices.**

##### New Glasgow, Nova Scotia

134 Provost Street  
James A. Bailey, Branch Manager

Jean Dickie, Manager, Real Estate Sales

Sub-Real Estate Office  
195 Main Street  
Antigonish, Nova Scotia

Advisory Board:  
Chesley D. Fraser, Chairman  
Roy F. Chisholm  
Merritt G. Crawford

##### Port Hawkesbury, Nova Scotia

Reeves Street  
J. Nelson Gaudet, Branch Manager

Advisory Board:  
James M. Graham  
Daniel J. Rankin

**Sydney, Nova Scotia**

225 Charlotte Street  
H. A. Wellington McCoubrey  
Branch Manager

C.E. (Ted) Tracey, Manager,  
Real Estate Sales

**Advisory Board:**

Richard J. Logue, K.M., LL.D., Chairman  
Joan E. Harriss  
R. Roland McIntyre, Q.C.  
Sidney A. Reeves  
Harvey L. Webber, Q.C.

**Truro, Nova Scotia**

16 Inglis Street  
Stephen C. Tufts, Branch Manager

**Advisory Board:**

Walter T. Purdy, Chairman  
Donald H. Goodspeed  
Garry Pye  
Clifton H. Sproule

**Yarmouth, Nova Scotia**

360 Main Street  
John C. Furlong, Branch Manager

**Advisory Board:**

Harold W. MacConnell, Chairman  
B. William Bishop, F.C.A.  
Irving C. Pink, Q.C.  
Victor H. Rodney  
Walter W. Wilson

**Corner Brook, Newfoundland**

Valley Mall, 1 Mount Bernard Avenue  
James Crosby, B. Comm., Branch Manager

**Advisory Board:**

Arthur R. Lundrigan, Chairman  
Hubert G. Harnett, C.A.  
Leonard A. Martin, Q.C.  
David L. Tizzard  
Eugene O. Vivian

**Gander, Newfoundland**

320 Elizabeth Drive  
J. Paul Parsons, Branch Manager

**Advisory Board:**

Harry Steele, Chairman  
Bryan K. MacLaggan  
Wayne Tucker

**St. John's, Newfoundland**

95 Bonaventure Avenue  
Ralph W. Dickey, Branch Manager

170 Water Street

Robert S. Haines, M.T.C.I.  
Branch Manager

**Advisory Board:**

John J. O'Neill, Chairman  
Angela Cantwell  
Andrew C. Crosbie  
Albert E. Hickman  
Noel C. Hutton

**New Brunswick  
Prince Edward Island  
Quebec Region****Regional Office**

860 Main Street  
Moncton, New Brunswick  
E1C 8M1  
Telephone: (506) 853-4370

John L. Gertridge

Vice-President, Branch Operations

Ronald C. Morse, M.T.C.I.  
Regional Manager, Trust Services

E. Harvey Stewart, M.T.C.I.  
Regional Manager, Investment Services

**Branches, Branch Managers and  
Advisory Boards****Amherst, Nova Scotia**

136 Victoria Street  
Robert A. Glennie, Branch Manager

**Advisory Board:**

Douglas J. Hamm, Chairman  
Douglas R. Bragg  
E. Clair Hicks, Q.C.  
Russell O. Hunter  
Donald W. Tingley

**Bathurst, New Brunswick**

191 Main Street  
William A. Peters, Branch Manager

**Advisory Board:**

Glendon F. Eddy, Chairman  
Aldéa Landry, B.A., LL.B.  
W. Blair Orser, M.D.  
Armand E. Roy, C.A.

**Campbellton, New Brunswick**

123 Water Street  
Donald G. LeBlanc, Branch Manager

**Advisory Board:**

Robert Melville, Chairman  
J. Ludger Bernard, Q.C.  
Allan H. Miller  
Belonie E. Nadeau

**Edmundston, New Brunswick**

14 Court Street  
J. R. Maurice Pelletier, Branch Manager

**Advisory Board:**

Lawrence B. Coburn, Chairman  
Henri P. Clavette  
Raymond Corbin, M.D.  
Knut Grotterod  
Louis P. Pichette, M.D.

**Fredericton, New Brunswick**

494 Queen Street  
Wayne V. Dauphinee, M.T.C.I.  
Branch Manager

Joanna J. Ringrose, M.A., LL.B.  
Regional Manager, Trust Services

**Advisory Board:**

W. Hedley Wilson, Chairman  
D. Frederick Campbell  
Horace A. Hanson, Q.C.  
John W. Morrison  
J. Gordon Neill

**Moncton, New Brunswick**

860 Main Street  
John S. Davies, Branch Manager

1199 Main Street  
George E. Gaudet, B. Comm.  
Branch Manager

Kenneth P. MacQuarrie, Manager  
Real Estate Sales

Sub-Real Estate Office  
Centreville Mall  
Shediac, New Brunswick

**Advisory Board:**

Hume M. Ellis, Chairman  
R. Douglas Bannon  
Sumner M. Fraser  
M. Adelard Savoie, Q.C.  
George T. Urquhart

**Newcastle, New Brunswick**

117 Henry Street  
David A. Tracy, M.T.C.I., Branch Manager

**Advisory Board:**

Jack F. Esson, Chairman  
Jack B. Estey  
John L. McAllister

**Saint John, New Brunswick**

Coburg and Union Streets  
Douglas M. Gordon, Branch Manager

Albert S. Evans, Manager, Real Estate Sales



Sub-Real Estate Office  
220 Main Street  
Hampton, New Brunswick

Advisory Board:  
Arthur J. Flood, Chairman  
Donald M. Gillis  
John D. Kidd

**St. Stephen, New Brunswick**  
126 Milltown Boulevard  
Clyde C. Walls, M.T.C.I., Branch Manager

Advisory Board:  
G. Fred Nicholson, Chairman  
J. William Garcelon  
Thomas A. W. Taylor, D.D.S.

**Sussex, New Brunswick**  
614 Main Street  
Louis L. Lambe, M.T.C.I., Branch Manager

Advisory Board:  
H. Russell Bryant, M.D., Chairman  
Allan Charters  
Earl J. Cunningham

**Woodstock, New Brunswick**  
655 Main Street  
John S. London, B.Comm., Branch Manager

Advisory Board:  
Judge James F.H. Crocco, Q.C., Chairman  
Frederick H. Hatfield  
Vardell C. Johnson  
Andrew H. McCain  
John E. C. Winslow

**Charlottetown, Prince Edward Island**  
118 Kent Street  
Ronald C. Russell, Branch Manager

Advisory Board:  
Horace R. MacFarlane, Chairman  
J. Andrew Likely, Deputy Chairman  
M. Alban Farmer  
J. Norman MacLeod

**Summerside, Prince Edward Island**  
277 Water Street  
Terry H. Donnelly, Branch Manager

Advisory Board:  
Horace R. MacFarlane, Chairman  
William C. Callbeck  
George A. Key, Jr.

**Montreal, Quebec**  
1130 Sherbrooke Street West  
Laurier M. Levac, Branch Manager

**Westmount, Quebec**  
4825 Sherbrooke Street West  
Glen W. Pearson, Branch Manager

Advisory Board:  
Donald W. McNaughton, Chairman  
Leonard Ellen  
Gordon B. Taylor  
Philip F. Vineberg, Q.C.

## Ontario Region

**Regional Office**  
1 First Canadian Place  
38th Floor  
Toronto, Ontario  
M5X 1G4  
Telephone (416) 364-4400

Harold T. Martin, LL.B.  
Senior Vice-President, Trust Services

G. Wilfred Fern, M.T.C.I.  
Vice-President, Corporate Trust Services

Anthony M. Kay, M.T.C.I.  
Vice-President, Personal Trust Services  
(Toronto)

Donald L. Copeland, C.A., M.T.C.I.  
Assistant Vice-President

Charles T. Evans  
Assistant Vice-President, Branch Operations

John D. Fergusson, B.A., M.B.A., C.A., M.T.C.I.  
Assistant Vice-President, Tax Services

Alan S. King  
Assistant Vice-President, Stock Transfer

Robert H. March, B. Comm., M.T.C.I.  
Assistant Vice-President, Trust Investments

Charles F. W. McIlravy  
Assistant Vice-President, Lending

## Branches, Branch Managers and Advisory Boards

**Brampton, Ontario**  
9 Queen Street East  
Anthony J. Lee, Branch Manager

**Brantford, Ontario**  
112 Dalhousie Street  
Glen L. Breen, Branch Manager

**London, Ontario**  
200 Queens Avenue  
Wayne C. Andrews, Branch Manager

**Ottawa, Ontario**  
270 Albert Street  
Ann E. Chapman, B.A., Branch Manager

Advisory Board:  
Peter MacKenzie, Chairman  
Thomas C. Assaly  
Dennis M. Coolican

**Toronto, Ontario**  
1 First Canadian Place  
Donald B. Irvine, M.T.C.I., Branch Manager

343 College Street  
Vincent Crudele, Branch Manager

654 Danforth Avenue  
Sarantis (Sam) Castrinos, Branch Manager

2070 Danforth Avenue  
Joseph P. Amenta, Branch Manager



**Gathering for a meeting in the Company's First Canadian Place, Ontario Regional Office are from left to right, Donald L. Copeland, Assistant Vice-President; Anthony M. Kay, Vice-President, Personal Trust Services (Toronto); G. Wilfred Fern, Vice-President, Corporate Trust Services; and, Charles F. W. McIlravy, Assistant Vice-President, Lending.**

1850 Eglinton Avenue  
Agostino (Tino) Simonetta, Branch Manager

948 St. Clair Avenue West  
Giuseppe (Joe) Ianni, B.A., Branch Manager

1224 St. Clair Avenue West  
Michelle Maiola, Branch Manager

415 Yonge Street  
Michael W. Bushell, Branch Manager

Advisory Board:  
John H. Coleman, Chairman  
William R. Allen, Q.C.  
Frederick A. Beck, Q.C.  
Edwin A. Goodman, Q.C.  
George C. MacDonald  
Joseph J. Piccininni  
Ainslie St. C. Shuve

**Welland, Ontario**

Seaway Mall  
800 Niagara Street North  
Joseph A. Giampaolo, B.A., M.T.C.I.  
Branch Manager

**Windsor, Ontario**

100 University Avenue West  
David W. Thrasher, Branch Manager

**Western Region****Regional Office**

401 8th Avenue S. W.  
Calgary, Alberta  
T2P 1E4  
Telephone (403) 262-5511

Gary H. Cain, M.T.C.I., Vice-President,  
Branch Operations

Peter R. S. Stead, B.A., B. Agr., M.B.A.  
Senior Regional Manager, Lending

Anne Kilroy, B.A.  
Regional Investment Officer

**Branches, Branch Managers and  
Advisory Boards****Calgary, Alberta**

401 8th Avenue S.W.  
P. Michael French  
Acting Branch Manager

Advisory Board:  
Francis R. Matthews, Q.C., Chairman  
Charles N. Mawer  
John A. Scrymgeour

**Edmonton, Alberta**

9892 Jasper Avenue  
Barry B. Runnalls, Branch Manager

**Grande Prairie, Alberta**

9824-100th Avenue  
Linda G. Deal, Branch Manager

Advisory Board:  
Harry Quinn, D.D.S., Chairman  
Michael Frey, C.A.  
Terry T. Lock, LL.B.  
Leslie C. Longmate

**Lethbridge, Alberta**

506-4th Avenue South  
Robert G. Thompson, Branch Manager

**Advisory Board:**

Charles G. Virtue, Q.C., Chairman  
J. Campbell Barnes  
Reed C. Ellison  
John Gogo, M.L.A.  
Thomas McNab, C.A.

**Medicine Hat, Alberta**

3292 Dunmore Road S.E.  
John E. Dempsey, Branch Manager

**Advisory Board:**

Jack Snedden, D.D.S., Chairman  
Reinhold Lehr  
James M. Pritchard, Q.C.  
Thomas Sissons

**Red Deer, Alberta**

5013-49th Avenue  
Del R. Badry, Branch Manager

**Advisory Board:**

Keith Anderson, C.A., Chairman  
R.C. Cooper, M.D.  
Jack Donald  
F. W. Moore  
Dennis Scott

**Kamloops, British Columbia**

244 Victoria Street  
Maureen E. Tate, Branch Manager

**Advisory Board:**

Peter Wing, Chairman  
Angus Currie, C.A.  
Ray Fuoco  
Tony Jarrett

**Vancouver, British Columbia**

750 West Pender Street  
Michael J. Huggett, Branch Manager

**Advisory Board:**

Joseph Segal, Chairman  
William L. McEwen  
Richard I. Nelson

**Victoria, British Columbia**

1306 Douglas Street  
John D. Jameson, Branch Manager

**Winnipeg, Manitoba**

211 Portage Avenue  
David N. Willcock, Branch Manager

**Advisory Board:**

A. McInnes Runciman, Chairman  
Barry L. Shankarow  
Arni C. Thorsteinson



## Company Services

### Deposit Services

Regular Savings Accounts  
Daily Interest Savings Accounts  
Investors Daily Interest Savings Accounts  
Senior VIP Savings Accounts  
Senior VIP Daily Interest Savings Accounts  
Daily Interest Chequing Accounts  
Passbook Chequing Accounts  
Statement Chequing Accounts  
Current Accounts  
Guaranteed Investment Certificates and Debentures  
Registered Retirement Savings Plans  
Registered Home Ownership Savings Plans

### Investment Services

Investment Management and Custodian Services  
Pension Fund Management  
Investment Funds (Equity, Mortgage and Fixed Income Sections)  
Indexed Security Investment Plans  
Deferred Profit Sharing Plans  
Registered Retirement Income Fund  
Mortgage Banking Services

### Lending Services

Mortgage Loans (Residential and Commercial)  
Home Equity Loan Plans  
Personal Loans  
Collateral Loans  
Investment Loans  
Visa

### Personal Trust Services

Estate Planning  
Executors and Trustees  
Agent for Executors  
Administrator

### Corporate Trust Services

Trustee for Bond Issues  
Transfer Agent and Registrar  
Dividend Paying Agent

### Real Estate Services

Real Estate Sales  
Real Estate Management  
Appraisals

### Sundry Services

Safety Deposit Boxes  
Travellers' Cheques  
Personal Money Orders  
Preparation of Personal Income Tax Returns

## General Information

### Head Office

5151 Terminal Road  
Halifax, Nova Scotia  
Telephone: (902) 425-7390  
Telex: 019-22578

### Available Information

To obtain further information on your Company, please contact:  
Corporate Secretary  
Central Trust Company  
5151 Terminal Road  
P.O. Box 2343  
Halifax, Nova Scotia B3J 3C8  
Telephone: (902) 425-7390

### Stock Exchanges

The Company's common shares and cumulative, redeemable, retractable, 1983 preference shares, series 1 are traded on the Toronto and Montreal stock exchanges.

### Stock Symbols Common Shares

CETT Toronto Stock Exchange  
CETM Montreal Stock Exchange  
The CUSIP number for the common shares on Canadian stock exchanges is 155587 10 8.

### 1983 Preference Shares, Series 1

CET.PR.A Toronto Stock Exchange  
CET.PR.A Montreal Stock Exchange  
The CUSIP number for the cumulative, redeemable, retractable, 1983 preference shares, series 1 on Canadian stock exchanges is 155587 20 7.

### Shareholders' Dividend Reinvestment and Stock Purchase Plan

Holders of common shares in the Company who enroll in the Dividend Reinvestment and Stock Purchase Plan have the right to direct the Company to apply their cash dividends to purchase additional common shares at a discount of 5% from market price.

Participants may also purchase additional common shares at 100% of the market price to a maximum subscription price of \$3,000. per quarter.

In neither case will there be brokerage charges and the Company will bear the full cost of administration.

All correspondence and inquiries should be directed to the Corporate Secretary, Central Trust Company, Head Office.

### Valuation Day Price

The Central Trust Company of Canada's common stock was quoted at \$13.75 per share on Valuation Day, December 22, 1971, for Canadian income tax purposes.

The Eastern Canada Savings and Loan Company's common stock was quoted at \$12.50 per share on Valuation Day, December 22, 1971, for Canadian income tax purposes.

### Transfer Agent

The transfer agent for the common shares and for the retractable 1983 preference shares, series 1 is Central Trust Company in Halifax, Moncton, Montreal, Toronto, Calgary and Vancouver.

### Auditors

Doane Raymond  
Chartered Accountants  
Halifax, Nova Scotia

### Member

Canada Deposit Insurance Corporation  
Trust Companies Association of Canada  
The Trust Companies Institute  
Canadian Real Estate Association